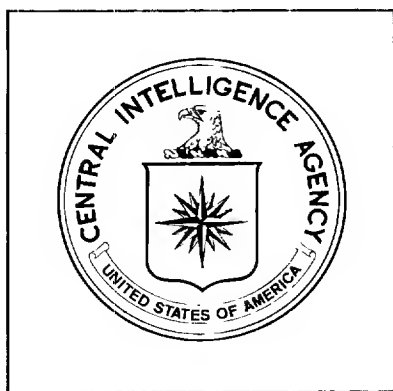


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SOVIET UNION - EASTERN EUROPE

This publication is prepared for regional specialists in the Washington community by the USSR - Eastern Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Soviet Concessions Offered on CSCE Issues

The Soviets have offered several significant concessions intended to hasten the conclusion of the Conference on Security and Cooperation in Europe.

The Soviet concessions apparently were timed to influence the NATO summit meeting at Brussels and to enhance the prospect for a summit-level conclusion to the security conference in July. During lunch with the heads of the US, UK, and French delegations, Soviet Deputy Foreign Minister Kovalev offered, as a "gesture of goodwill," to accept a number of Western proposals in the area of human contacts and information, which has been the key hurdle to completion of the negotiations. He said the USSR would accept that section of the Western text which facilitates international travel.

Kovalev also accepted the Western text intended to prevent the expulsion of journalists engaged in legitimate professional activity. This step is a major Soviet concession on an issue many Western delegates had regarded as hopelessly deadlocked. He added that the USSR would meet the West halfway in terms of a commitment on the subject of family reunification and would agree to a paragraph on international broadcasting that would avoid a statement on national responsibility for such transmissions.

The NATO allies, who began discussing the Soviet proposal yesterday, generally have indicated a strong desire to wrap up the remaining issues. They are agreed, however, that these issues will require difficult and time-consuming negotiations and that a united front may elicit additional Soviet concessions. (CONFIDENTIAL NO FOREIGN DISSEM)

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Polish Parliament Enacts Reforms

On Wednesday the parliament (Sejm) enacted party chief Gierek's massive reform of Poland's territorial-administrative structure (*Staff Notes*, April 14, May 19).

The changes will go into effect June 1, and Prime Minister Jaroszewicz has made clear that there can be no delay in their implementation.

the reform will affect 250,000 people, including 120,000 party workers. Of these, 50,000 will be retired. Other [REDACTED] have claimed that more than 100,000 government workers would be involved.

The Sejm also ratified several personnel changes in the Council of Ministers. As a result of the administrative reform, two former provincial party first secretaries were named to head important ministries. The embassy reports rumors that a close associate of Gierek, Katowice first secretary Zdzislaw Grudzien, will soon be promoted to membership on the party secretariat and politburo.

Gierek's plans will be complicated by the apparent loss of politburo member and Deputy Premier Mieczyslaw Jagielski. [REDACTED] he suffered a serious heart attack earlier this month, and a Polish journalist says that he has less than a fifty percent chance for full recovery. Jagielski is the politburo member responsible for economic planning, the ranking deputy premier, and chairman of the state planning commission. His loss would deprive Gierek of one of Poland's most experienced and able party economic planners and managers. (CONFIDENTIAL)

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Poland: Military Officers Question Party's
Explanations of Economic Problems

Some military officers, like many civilians, have apparently not been convinced by the official explanations of Poland's current economic problems (see *Staff Notes*, April 21).

25X1C [REDACTED] a "serious incident" took place at the Military Political Academy last month during a lecture by an economic specialist of the Central Committee. The party official was shouted down at least twice by officers who demanded that he "tell the truth and stop talking nonsense." One officer said he had heard the "same old story" for 30 years and criticized the speaker for trying to talk down to the members of the class as if they were little children. He was applauded by his classmates.

This incident probably reflects more discontent with the party's explanations than with the economic situation itself. The officers at this school are sophisticated senior political workers whose job it is to justify party decisions to the troops. They apparently felt they would need more than the pat explanations and partial information that were offered. (SECRET NO FOREIGN DISSEM/NO DISSEM ABROAD/BACKGROUND USE ONLY/CONTROLLED DISSEM)

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Yugoslavia After Tito

Tito's eighty-third birthday last Sunday found Yugoslavia facing a potentially complicated succession, wrestling with chronic problems in ensuring its independence and domestic order, and nervously testing the winds of change in Europe. To prepare his country for a future without him, Tito has strengthened and modernized the armed forces against external threats and has liberally applied the stick to those internal factions that forget that federal interests always outweigh parochial concerns. We present the first of a two-part series assessing the outlook for Yugoslavia after Tito.

Background

The united kingdom of Yugoslavia created after World War I was threatened continually by irredentist neighbors and was flawed from the start by deeply ingrained internal divisions during its short and troubled lifespan. The royalist regime's decision to seek security by joining the Axis at the onset of World War II sharpened internal dissent, and Hitler's invasion of the country in 1941 effectively ended Yugoslav sovereignty. The invasion fostered bitter partisan warfare both against Nazi troops and local collaborators and between the various partisan groups.

Then, as now, Yugoslavia lacked genuine security guarantees. However, linking the national fate to a more powerful, self-seeking foreign power proved as unsuitable after the war--when Moscow briefly played the role of patron--as did the first attempt. Since Yugoslavia's ouster from the Cominform in 1948, Tito has rejected all binding ties with major foreign powers.

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The Threat from the East

Throughout the postwar era, Yugoslavia's most persistent foreign policy problem has been to maintain an acceptable working relationship with Moscow. Tito has by turns defied and placated successive Soviet leaderships, but he has constantly refused to become a pliant subordinate of the Kremlin. Indeed, he has stressed developing healthy suspicions of the Soviets among all levels of Yugoslav society --and succeeded so well that during his rapprochements with Khrushchev and Brezhnev, he had to force some doubting subordinates to go along. On the other hand, his periodic diatribes against alleged Western "imperialist" intrigues have never evoked the patriotic outbursts that followed his struggle with Stalin and the Soviet-led invasion of Czechoslovakia in 1968.

His most recent effort to patch up old quarrels and work out a new basis for friendship with Moscow reached a new height after the 1973 Arab-Israeli war, when Tito--in an unusually unguarded assessment--affirmed his "trust and confidence" in the Soviets. Shortly thereafter, a major arms sale was initialed, and talks began on an exchange of intelligence.

The period of "trust and confidence" lasted less than six months. The discovery in April 1974 of a Soviet-supported subversive group inside Yugoslavia, and Tito's denunciation of the plot--after six months of probing Moscow's motives--triggered a slide toward cooler relations.

Yugoslavia and Detente

Belgrade's open misgivings about detente--both the US-Soviet version and its European variant--reflect Yugoslav suspicions that the great powers have entered into private arrangements that ignore Yugoslav interests. Belgrade is increasingly uneasy over

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Moscow's continued ability to assert its control in the Warsaw Pact countries, when NATO--particularly the southern flank--is sinking into disarray. The prospect that the European security talks will endorse Soviet dominance in Eastern Europe contributes to Yugoslav fears that the Soviets will feel free to nibble away at Yugoslav sovereignty without risking a serious Western response.

A seldom mentioned--but crucial--tenet of the Yugoslav interpretation of nonalignment holds that Belgrade remains free to join militarily with any country--socialist or capitalist--when the nation is in immediate danger. This position necessitates wide-ranging flexibility in foreign policy and presumes that an invasion of Yugoslavia would so threaten the political balance in Europe as to generate foreign support for Belgrade.

The prospect of increasing Soviet influence in European affairs has prompted the Yugoslavs to begin a round of exploratory talks in Western capitals. Belgrade's representatives seem to be probing Western resolve to help Yugoslavia should the need arise. Regime planners are taking pains, however, to avoid precipitating a collision with the USSR. To this end, Premier Bijedic recently visited both Moscow and Washington, and will reportedly also visit Peking.

The military in particular are canvassing Western arms producers and establishing more active contacts with Western high commands. During the past six months, several exchanges have taken place between Yugoslav military leaders and their US, French, British, and Swedish counterparts.

Belgrade's Balkan Policies

Despite its misgivings about detente, Yugoslavia remains a vocal advocate of decreased tensions in

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Europe. Its location on the Balkan peninsula plays a key role in its desire to help raise the flash point of potential conflict.

For the home audience, Yugoslav news and propaganda media constantly harp on real or imagined threats to the national security from Yugoslavia's neighbors--most of whom were forced to modify their territorial designs after Yugoslav borders were redrawn in 1945. The audience is sympathetic.

Periodic eruptions of bad feeling toward Vienna, Sofia, and Rome have not diminished appreciably despite detente. Over the past few years, Tito's impatience with the failure of his neighbors to accommodate him on disputed questions has, if anything, grown. He fears they are deliberately keeping their options open against the possibility of Yugoslav instability after he dies. Although Belgrade's immoderate outbursts do not contribute to reduced tensions, they do serve both to warn against miscalculations of Belgrade's resolve and to remind Yugoslavs--particularly the youth--of the consequences of fratricidal bickering.

In the east, Belgrade's relations with its communist neighbors range from extremely close cooperation with Romania to deliberate baiting of Bulgaria as an irredentist, anti-Yugoslav pawn of Moscow. To the south, Yugoslavia is wooing the new regime in Athens that is groping for more autonomy in NATO, and has tried to be responsive to Albania's generally more conciliatory attitude.

The Nonaligned Movement--Moving at Last?

Since the first efforts in the 1950s to shape the "Third World" into an international force, Belgrade has loudly trumpeted the potential benefit of Yugoslav identification with the nonaligned world.

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Nevertheless, the gains from Tito's energetic involvement have amounted to little more than increased prestige and a growing sense of international influence.

The newfound cohesion of Third World voters in the UN and the sharply increased economic strength of the OPEC countries has, however, convinced many doubting Yugoslavs that their nonaligned course could pay off. Although the nonaligned world is still far from being able to protect member states from outside aggression, some Yugoslavs believe that the movement could ultimately achieve this capability. Indeed, Belgrade's substantial military aid to the Arabs in 1973 may well have been devised as an obligation that can be called in if the need arises. (SECRET NO FOREIGN DISSEM/NO DISSEM ABROAD/BACKGROUND USE ONLY/CONTROLLED DISSEM)



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